MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2019/2020

BBM3824 – SMALL BUSINESS MANAGEMENT
(Distance Education)

29 FEBRUARY 2020
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of **THREE (3)** printed pages.
2. There are FIVE (5) questions. Choose and answer FOUR (4) questions only.
3. Marks are shown at the end of each question.

ESSAY QUESTIONS (100 Marks)

There are FIVE (5) questions. Candidates MUST choose and answer only FOUR (4) questions. Each question carries 25 marks.

QUESTION 1

a. Most of entrepreneurs always talk about what they will be getting when they start a business venture. Discuss in detail **THREE (3)** types of reward that entrepreneurs universally, occasionally and rarely mentioned when they respond to the question about the rewards of starting a business venture. Support your answer with the relevant examples for each rewards.

(15 marks)

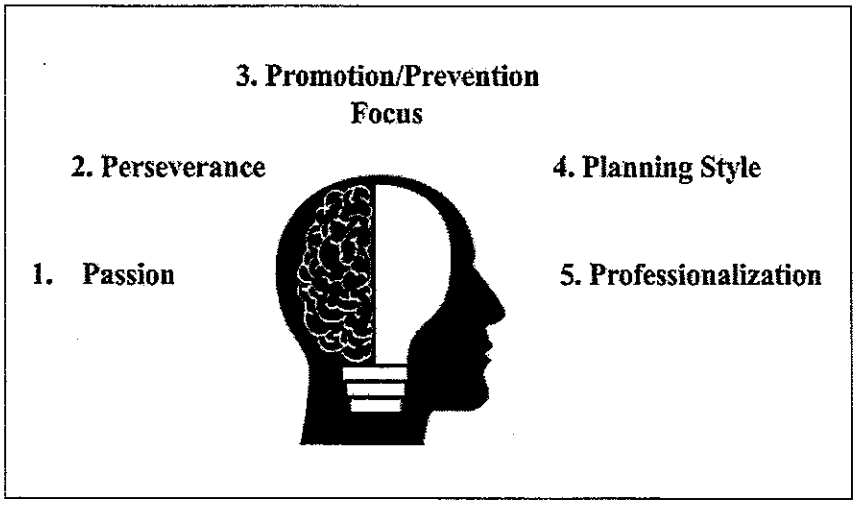

Figure 1.1 The Psychology of Entrepreneurs

b. There are several aspects of behaviour that most successful small business entrepreneurs display which is known as the FIVE Ps of Entrepreneurial Behaviour (Refer to Figure 1.1 above). Choose and explain any **TWO (2)** of the Ps of Entrepreneurial Behaviour in detail.

(10 marks)

[TOTAL: 25 marks]

QUESTION 2

a. Discuss briefly the diagnosis taken by the small business entrepreneurs in managing relations with the environment.

(5 marks)

Continued...

b. Mr. Al-Kepong Y. Suku is inspired to start his own small business venture after he retires from his high ranking government post. You are his close friend and he knows that you have some experience in setting up a small business entity. He is in a big dilemma of whether to start a new business or to buy over an existing business. Advise him on the advantages and disadvantages of **TWO (2)** options of (1) starting-up a new small business venture or (2) take over an existing business operation.

(20 marks)

[TOTAL: 25 marks]

QUESTION 3

a. To plan and execute firm's growth, a business owner needs to understand that any new product introduced to the market will be progressing through a sequence of stages which is known as the product life cycle. Draw the diagram of The Product Lifecycle and explain in detail its various stages.

(20 marks)

b. Running a business full time can be a major commitment and is not always the best way to go about becoming an entrepreneur. Discuss briefly **TWO (2)** situations in which it might be better sense to first undertake a part-time business.

(5 marks)

[TOTAL: 25 marks]

QUESTION 4

a. Pricing strategy is very crucial for small business as it can convey a sense about the quality of your firm and your product. Identify **FOUR (4)** factors that need to be considered for determining an optimum price.

(4 marks)

b. Syncronomousity Studio is a new media animation that is based in Cyberjaya and has been operating for six months already. However, this company is hardly known by the public and does not have a strong presence in the social media. Based on this situation, briefly justify **THREE (3)** needs for promotion for a small business start-up like Syncronomousity Studio.

(6 marks)

Continued...

c. Mr. Papazoli plans to quit his job as a banker in Kuala Lumpur and intends to start a small business venture of offering a will-writing service. His initial plan is to go back to his hometown in Kuala Lipis and operates his business there, but he was advised by many of his friends to think carefully about his plan. They argue that while most entrepreneurs assume that they can operate in their hometown effectively, this isn't always the best location for some businesses. Provide **THREE (3)** key considerations that Papazoli needs to study to decide where is the best place to start his future will-writing business.

(15 marks)

[TOTAL: 25 marks]

QUESTION 5

a. Marketing plan is defined as a systematic written plan of all phases of marketing for a business, including information on the product, price, and distribution and promotion strategy, as well as a clear identification of the target market and competition. Outline **TWO (2)** reasons to have a marketing plan for small business owners.

(8 marks)

b. The main objective of accounting is to record financial transactions in the books of accounts in systematic manner. Explain **THREE (3)** reason why accounting matters to small businesses?

(9 marks)

c. Some small business owners are struggling to obtain loan to expand their business operation. Financial institutions normally stick to a rule of thumb known as the **FOUR (4)** Cs of borrowing. Briefly discuss all the components of the concept.

(8 marks)

[TOTAL: 25 marks]

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